14K Gold Price Per Gram: Calculate Current Melt Value

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Why Spot Price Isn't What You'll Get Paid

Gold closed at $2,350 per troy ounce on the COMEX yesterday. You have a 14K gold chain weighing 15 grams. Multiply $2,350 by 15 grams and you might think you're holding $35,250. The reality? A refiner will pay you roughly $920 for that same chain.

The gap isn't a scam - it's arithmetic. The quoted spot price represents pure 24K gold (99.99% fine) delivered in 100-ounce Good Delivery bars to a London or New York vault. Your chain is 58.3% gold by weight, the rest copper and silver alloyed for durability. Then there's the dealer's margin, assay cost, and the fact that scrap must be melted, refined, and recast before it re-enters the wholesale market.

This tutorial teaches the exact calculation chain professionals use: spot -> troy ounce -> gram -> purity adjustment -> dealer bid. You'll learn where each discount comes from so you can estimate a fair price before you negotiate.

Understanding the Karat Scale

The karat system divides gold purity into 24 parts. Pure gold is 24K. Each karat represents 1/24th of the total weight. For 14K:

$$ \frac{14}{24} = 0.58333... \approx 58.3\% $$

The remaining 41.7% is typically copper (for hardness and reddish tone) and silver (for whiteness and malleability). Some 14K alloys use nickel or zinc instead, but the gold weight fraction never changes.

Fineness vs. Karat Stamps

You'll see two stamps on jewelry:

- 14K or 585 - both mean 58.3% gold. The three-digit number is parts per thousand (585/1000).
- 14KP - "plumb" gold, guaranteeing at least 14K, not 13.5K rounded up.

Always verify the stamp with a loupe. Unmarked or "GP" (gold plated) items have negligible melt value.

Why 14K Dominates the U.S. Market

14K became the U.S. standard because it balances color, durability, and cost. 18K (75% gold) scratches easily; 10K (41.7%) looks pale and can cause nickel allergies. In Europe and Asia, 18K and 22K are more common, so imported jewelry may carry different stamps - adjust the math accordingly.

Karat	Gold Content	Fineness Stamp	Typical Use
24K	99.99%	999	Investment bars, coins
22K	91.7%	916	Middle Eastern/Asian jewelry
18K	75.0%	750	European fine jewelry
14K	58.3%	585	U.S. standard jewelry
10K	41.7%	417	Budget jewelry, dental

Step-by-Step: From Spot Quote to Gram Value

1. Grab the Current Spot Price

Use a reliable feed: Kitco, CME Group, or your broker's platform. Spot is quoted in U.S. dollars per troy ounce of 99.99% fine gold.

2. Convert Troy Ounce to Grams

One troy ounce = 31.1034768 grams. The industry uses 31.1035 for precision.

$$
\text{Price per gram of pure gold} = \frac{\text{Spot}}{31.1035}
$$

$$
\frac{2,350}{31.1035} = \$75.55 \text{ per gram of 24K gold}
$$

3. Apply the 14K Purity Factor

Multiply by 0.58333 (14/24).

$$
\$75.55 \times 0.58333 = \$44.07 \text{ per gram of 14K alloy}
$$

This is the theoretical melt value - the intrinsic gold content if you could extract it for free.

4. Adjust for Refining Loss and Dealer Margin

Refiners typically recover 98-99% of gold from scrap. Dealers then apply a bid-ask spread of 5-15% depending on volume, relationship, and market volatility.
A realistic dealer bid = Melt value × (1 - spread) × recovery rate.
At a 10% spread and 99% recovery:

$$
$44.07 \times 0.90 \times 0.99 = $39.24 \text{ per gram}
$$

That's the number you should expect to negotiate around.

Dealer Spreads, Assay Fees, and the Real Bid

The Bid-Ask Mechanics

When you walk into a "We Buy Gold" shop, you're hitting their bid. They'll turn around and sell the scrap to a refiner at the refiner's bid (which is higher than yours). The shop's spread covers rent, labor, theft risk, and the time value of money until the refiner settles.
Typical spreads:

- High-volume pawn/refiner direct: 5-8%
- Local jewelry store: 10-15%
- Hotel buying events / mail-in kits: 20-30% (avoid these)

Assay and Processing Fees

Some dealers deduct a flat "assay fee" ($20-$50) or a percentage (1-2%) to cover XRF testing or fire assay. Ask upfront: "Is your quoted price per gram net of all fees?" Get it in writing.

Weight Verification

Dealers weigh on a certified scale in pennyweights (dwt) or grams. 1 dwt = 1.555 grams. If they quote in pennyweights, convert to grams to compare apples-to-apples:

$$
\text{Price per gram} = \frac{\text{Price per dwt}}{1.555}
$$

Payment Method Matters

Cash offers are often lower than check or wire because of currency handling costs and anti-money-laundering compliance. For amounts over $10,000, dealers must file a FinCEN Form 8300 - expect extra scrutiny and possibly a lower bid.

Buyer Type	Typical Spread	Assay Fee	Payment Speed	Best For

Direct refiner	5-8%	Often waived	1-3 business days	Large lots (>50g)
High-volume pawn	8-12%	$20-$40	Same day cash	Medium lots (10-50g)
Local jeweler	10-15%	$25-$50	Same day cash/check	Small lots (<10g)
Hotel event / mail-in	25-35%	Hidden in spread	Delayed	Avoid

Worked Example: Selling a 15-Gram 14K Chain

Let's walk through the numbers with the $2,350 spot price used earlier.

Step	Calculation	Result
1. Spot price	-	$2,350 / troy oz
2. Pure gold per gram	2,350 ÷ 31.1035	$75.55 / g (24K)
3. 14K melt value	75.55 × 0.58333	$44.07 / g (theoretical)
4. Refiner recovery (99%)	44.07 × 0.99	$43.63 / g
5. Dealer spread (10%)	43.63 × 0.90	$39.27 / g (dealer bid)
6. Gross payout	39.27 × 15 g	$589.05
7. Less assay fee (example)	- $25	$564.05 net

Reality check: If the shop offers $500, they're taking a ~21% spread. If they offer $560, it's a fair ~10% spread. Knowing the math lets you say, "Spot is $2,350, melt is $44.07, your bid at 10% spread is $39.27 - I'll take $585 cash."

What If Spot Moves?

Gold moves $10-$30 daily. Recalculate the morning you sell. A $20 drop in spot reduces the per-gram bid by about $0.33. On 15 grams, that's $5 - not huge, but on 100 grams it's $33. For larger lots, ask the dealer to lock the price for 24 hours (some will, for a fee).

Buying Side: Why Retail 14K Carries a Premium

The melt-value math works in reverse when you're buying. A 14K American Eagle alternative (a 1/10 oz gold coin replica) might weigh 7.78 grams. At the same $2,350 spot:

- Melt value: 7.78 g × $44.07 = $342.86
- Retail price: $660 (≈ $84.83 / g)
- Premium: 92% over melt

You're paying for:

Fabrication - casting, stamping, polishing.
Brand/Design - recognized coins trade at tighter spreads later.
Distribution - wholesaler -> retailer -> you.
Liquidity premium - coins are easier to resell than scrap chains.
For investment purposes, bullion coins (1 oz American Eagle, Maple Leaf, Krugerrand) carry 3-5%

premiums over spot. Jewelry and collectibles carry 20-100%+. If your goal is gold exposure, buy bullion or a low-cost ETF like GLD or IAU. Wear jewelry for adornment, not portfolio allocation.

Product Type	Typical Premium Over Melt	Bid-Ask Spread	Liquidity
1 oz bullion coin	3-5%	Tight	High
1/10 oz bullion coin	8-12%	Moderate	High
14K jewelry (new)	100-200%	Wide	Low
14K scrap (selling)	-10% to -30%	Wide	Medium
Gold ETF (GLD/IAU)	~0.4% expense ratio	Tight	Very High

1. Using the Wrong Weight Unit
Quoting spot in ounces but weighing in grams (or pennyweights) without conversion leads to 31× errors. Always work in grams throughout.
2. Ignoring Stones and Non-Gold Components
A 15-gram ring with a 3-gram cubic zirconia setting contains only 12 grams of 14K alloy. Remove stones before weighing, or deduct their weight. Dealers will deduct anyway - often aggressively.
3. Assuming All 14K Is Equal
Some vintage 14K runs slightly under 58.3% (legal minimum in the U.S. was 13.5K for "14K" stamped items pre-1981). Modern "14KP" guarantees 58.3%. If unsure, ask for an XRF readout.
4. Selling at Hotel Events or Mail-In Kits
These operators have high overhead and adverse selection - they attract sellers who don't know the math. Spreads of 25-35% are common. Walk to a local refiner or high-volume pawn shop instead.
5. Not Shopping Multiple Bids
Call three buyers. Give them the exact weight and karat. Ask: "What is your bid per gram for 14K scrap, net of all fees?" Compare apples-to-apples.
When to Sell: Timing and Market Conditions
Spot Price Trends
Gold tends to rise during:

Real interest rate declines (Fed cutting, inflation rising)
Dollar weakness (DXY falling)
Geopolitical stress (war, financial crisis)
Central bank buying (China, India, Turkey adding reserves)
It tends to fall when real yields rise and the dollar strengthens. You can't time the top, but selling into a rally (e.g., gold up 5% in a month) usually beats selling during a dip.

Seasonal Patterns
Jewelry demand peaks in Q4 (Diwali, Christmas, Chinese New Year). Refiner capacity tightens, sometimes widening spreads. Summer months can be quieter, but spreads don't narrow dramatically - the market is efficient.
Tax Considerations
In the U.S., gold held >1 year is a collectible taxed at 28% long-term capital gains. Held ≤1 year, it's ordinary income. Keep records of purchase price (cost basis) if you bought the jewelry new. If inherited, basis steps up to fair market value at date of death - document it.
Frequently Asked Questions
How do I calculate 14K gold price per gram today?
Take the current spot price in $/troy oz, divide by 31.1035 to get $/gram of pure gold, then multiply by 0.58333 (14/24). That's the theoretical melt value. Subtract 10-15% for a realistic dealer bid.
What is the difference between 14K gold melt value and retail price?
Melt value is the intrinsic gold content only. Retail price includes fabrication, design, brand, distribution, and retailer margin - often 2-3× melt for new jewelry.
Why does 14K gold sell for less than 24K per gram?
14K is only 58.3% gold by weight. The rest is base metal alloy. Per gram of alloy, there is simply less gold, so the gold-derived value is proportionally lower.
When is the best time to sell 14K gold jewelry?
When spot gold is near a cyclical high, real yields are falling, and you have multiple local bids in hand. Avoid urgent "need cash now" situations - they force you to accept the first low offer.

Can I use the live gold spot price directly for 14K?
No. Spot is for 99.99% fine gold in 100-oz bars. You must convert to grams and multiply by 0.58333. Then apply a dealer discount.
Is 14K gold a good investment compared to bullion?
No. The buy-sell spread on 14K jewelry is 20-100% over melt. Bullion coins spread 3-5%; ETFs spread fractions of a percent. Jewelry is for wearing, not for portfolio allocation.
Conclusion
The math between a COMEX quote and the cash in your hand is straightforward once you see each step: spot -> troy ounce -> gram -> 58.3% purity -> refiner recovery -> dealer spread. A 15-gram 14K chain at $2,350 spot yields roughly $560-$590 net after fees - not the $35,000 a naive multiplication suggests. Know the numbers before you walk in. Call three buyers. Ask for the net-per-gram bid. If a dealer won't quote net of fees, keep looking. The spread is where they make money; your job is to keep it as narrow as the market allows.
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